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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 8, 2001

APPLICATION OF

VERIZON SOUTH INC.

CASE NO. PUA010007

and

VERIZON VIRGINIA INC.

For exemptions from the affiliated interest filing and approval requirements pursuant to § 56-77 B of the Code of Virginia

ORDER FOR NOTICE AND COMMENT

On January 25, 2001, Verizon South Inc. ("Verizon South") and Verizon Virginia Inc. ("Verizon Virginia")(collectively, the "Applicants") filed an application requesting approval for exemptions from the affiliated interest filing and approval requirements pursuant to § 56-77 B of the Code of Virginia. In support of their request, Applicants note that the Commission has recently adopted a price indexing alternative form of regulation for Verizon South similar to the plans approved for Verizon Virginia, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia (collectively, the "Sprint Companies"). Applicants assert that, because of Verizon South's

 $^{^1}$ Applicants also note that, pursuant to orders dated March 28, 1997, in Case Nos. PUA960044, PUA960046, PUA960047, the Commission granted exemptions

price indexing plan and information that will be submitted by the Applicants in their annual affiliate filings, the requested exemption is in the public interest. Applicants believe that it would be equitable to approve the requested exemptions because of Commission precedent in approving exemptions for certain other local telecommunications services carriers with similar price indexing plans and because competitive local exchange carriers are not required to file for prior approval of affiliate agreements or arrangements.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Applicants should provide notice of the above-referenced application and that the public should have an opportunity to comment and request a hearing.

Accordingly, IT IS ORDERED THAT:

- (1) This matter shall be docketed as Case No. PUA010007.
- (2) The above-referenced application may be viewed during regular business hours at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia. Interested parties also may obtain copies by making a written request to counsel for the Applicants,

Lydia R. Pulley, Vice President, General Counsel, and Secretary, Verizon Virginia Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441.

(3) On or before February 26, 2001, Applicants shall publish the following notice as display advertising, not classified, once in newspapers of general circulation throughout their service territory:

NOTICE OF THE APPLICATION OF
VERIZON SOUTH INC. AND VERIZON VIRGINIA INC.
FOR APPROVAL OF EXEMPTIONS FROM
THE AFFILIATED INTEREST FILING AND
APPROVAL REQUIREMENTS
CASE NO. PUA010007

On January 25, 2001, Verizon South Inc. ("Verizon South") and Verizon Virginia Inc. ("Verizon Virginia")(collectively, the "Applicants") filed an application requesting approval for exemptions from the affiliated interest filing and approval requirements pursuant to § 56-77 B of the Code of Virginia.

In support of their request, Applicants note that the Commission has recently adopted a price indexing alternative form of regulation for Verizon South. Applicants assert that, because of Verizon South's price indexing plan and information that will be submitted by the Applicants in their annual affiliate filings, the requested exemption is in the public interest. Applicants believe that it would be equitable to approve the requested exemptions because of Commission precedent in approving exemptions for certain other local telecommunications services carriers with similar price indexing plans and because competitive local exchange carriers

are not required to file for prior approval of affiliate agreements or arrangements.

A copy of the above-referenced application is available for inspection during regular business hours at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. Interested persons also may obtain a copy of the application by making a written request to counsel for the Applicants, Lydia R. Pulley, Vice President, General Counsel and Secretary, Verizon Virginia Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441.

Comments on the application must be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before March 12, 2001. Requests for hearing also must be submitted in writing to the Clerk on or before March 12, 2001. Requests for a hearing shall state why a hearing is necessary and why such issues cannot be adequately addressed in written comments. All correspondence shall refer to Case No. PUA01007. A copy of any comments or requests for hearing shall also be sent to counsel for the Applicants at the address set forth above.

If no sufficient request for hearing is received, a formal hearing with oral testimony may not be held, and the Commission may make its decisions based upon papers filed in this proceeding.

VERIZON SOUTH INC. AND VERIZON VIRGINIA INC.

(4) On or before February 26, 2001, the Applicants shall provide a copy of the notice contained in Ordering Paragraph 3 to each local exchange telephone services carrier certificated

in Virginia and each interexchange services carrier certificated in Virginia by personal delivery or first-class mail, postage prepaid, to the customary place of business or residence of the person served. Lists of all current local exchange and interexchange carriers in Virginia are attached to this Order as Appendices A and B, respectively.

- wishing to comment on Verizon South's and Verizon Verizon's application, or desiring a hearing in this matter, shall file written comments and requests for hearing with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUA010007. A copy of such comments or requests for hearing shall simultaneously be sent to counsel for the Applicants at the address set forth above. Any request for hearing shall detail reasons why such issues cannot be adequately addressed in written comments. If no sufficient request for hearing is received, a formal hearing with oral testimony may not be held, and the Commission may make its decisions based upon papers filed in this proceeding.
- (6) On or before March 16, 2001, the Commission Staff shall review the application and shall file a report presenting its findings and recommendations.

- (7) The Applicants shall respond to written interrogatories within seven (7) business days after receipt of same. Except as modified above, discovery shall be in accordance with Part VI of the Commission's Rules of Practice and Procedure.
- (8) On or before March 12, 2001, the Applicant shall file with the Clerk of the Commission proof of notice and service as require in Ordering Paragraphs (3) and (4) above.
- (9) On or before March 22, 2001, Applicants and interested persons may file any response to Staff's Report with the Clerk of the Commission at the address set forth above.